

Senate Study Bill 1267 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON BOLKCOM)

A BILL FOR

1 An Act relating to underground storage tanks, including by
2 establishing an underground storage tank cost share grant
3 program and fund and making an appropriation.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 321.145, subsection 2, paragraph a,
2 subparagraph (1), Code 2015, is amended to read as follows:

3 (1) First, ~~three one million five hundred~~ seven hundred
4 fifty thousand dollars per quarter shall be deposited into
5 and credited to the Iowa comprehensive petroleum underground
6 storage tank fund created in section 455G.3, and the moneys so
7 deposited are a continuing appropriation for expenditure under
8 chapter 455G, and moneys so appropriated shall not be used for
9 other purposes.

10 Sec. 2. Section 321.145, subsection 2, paragraph a, Code
11 2015, is amended by adding the following new subparagraph:

12 NEW SUBPARAGRAPH. (3) Third, one million seven hundred
13 fifty thousand dollars per quarter shall be deposited into
14 and credited to the underground storage tank cost share
15 grant program fund created in section 455G.6A. The moneys so
16 deposited are a continuing appropriation for expenditure under
17 that section and shall not be used for other purposes.

18 Sec. 3. Section 424.19, Code 2015, is amended to read as
19 follows:

20 **424.19 Future repeal.**

21 This chapter is repealed effective June 30, ~~2016~~ 2026.

22 Sec. 4. Section 455G.4, subsection 1, paragraph a,
23 subparagraph (5), Code 2015, is amended to read as follows:

24 (5) ~~Three~~ Five owners, consultants, or operators appointed
25 by the governor, ~~two of which shall to~~ be designated as
26 follows:

27 (a) One member shall be an owner or operator who is
28 self-insured.

29 (b) ~~One member~~ Two members shall be ~~a member~~ members of
30 the petroleum marketers and convenience stores of Iowa or its
31 designee.

32 (c) One member shall be a member of the Iowa petroleum
33 equipment contractors association or its designee.

34 Sec. 5. NEW SECTION. **455G.6A Underground storage tank cost**
35 **share grant program and fund.**

1 1. For purposes of this section, "*grant program fund*" means
2 the underground storage tank cost share grant program fund
3 established by this section.

4 2. An underground storage tank cost share grant program fund
5 is created as a separate fund in the state treasury under the
6 control of the board. The grant program fund is separate from
7 the general fund of the state.

8 3. *a.* The grant program fund is composed of moneys
9 deposited in the fund pursuant to section 321.145, subsection
10 2, paragraph "*a*", subparagraph (3), other moneys appropriated
11 by the general assembly for deposit in the grant program fund,
12 and moneys available to and obtained or accepted by the board
13 from the United States government or private sources for
14 placement in the grant program fund.

15 *b.* The recapture of awards or penalties, or other repayments
16 of moneys originating from the grant program fund, shall be
17 deposited into the grant program fund.

18 *c.* Notwithstanding section 12C.7, interest or earnings on
19 moneys in the grant program fund shall be credited to the grant
20 program fund.

21 *d.* Notwithstanding section 8.33, unencumbered and
22 unobligated moneys remaining in the grant program fund at the
23 close of each fiscal year shall not revert but shall remain
24 available in the grant program fund for the purposes of this
25 section.

26 4. The grant program fund shall be administered by the
27 board.

28 5. Moneys in the grant program fund are appropriated to and
29 shall be used by the board as provided in this subsection.

30 *a.* Up to fifty thousand dollars shall be allocated each
31 fiscal year to the board to support the administration of
32 the grant program. The board may use up to one and one-half
33 percent of the moneys in the grant program fund each fiscal
34 year to market the grant program. Otherwise the moneys shall
35 not be transferred, used, obligated, appropriated, or otherwise

1 encumbered except to allocate as grants by the board in
2 accordance with this subsection.

3 *b.* The board shall establish a grant program to award grants
4 from moneys in the grant program fund to eligible applicants to
5 replace underground storage tank infrastructure, including but
6 not limited to tanks, lines, pipes, hoses, connections, seals,
7 and pumps.

8 (1) The board shall adopt rules pursuant to chapter 17A
9 for implementation and administration of the grant program and
10 grant program fund, including regarding the eligibility of
11 grant applicants.

12 (2) At a minimum, replacement infrastructure must be listed
13 by an independent testing laboratory as compatible for use with
14 ethanol blended gasoline classified as E-85.

15 (3) An eligible applicant may be awarded a grant worth up
16 to fifty percent of the cost to replace infrastructure, with a
17 maximum grant of one hundred thousand dollars.

18 EXPLANATION

19 The inclusion of this explanation does not constitute agreement with
20 the explanation's substance by the members of the general assembly.

21 This bill creates an underground storage tank cost share
22 grant program and a corresponding fund within the state
23 treasury in Code chapter 455G. The grant program fund shall
24 be credited \$1.75 million per quarter from the statutory
25 allocations fund pursuant to Code section 321.145. The grant
26 program fund shall be administered by the Iowa comprehensive
27 petroleum underground storage tank fund board. The grant
28 program funds shall be allocated as grants by the board to
29 replace underground storage tank infrastructure, including but
30 not limited to tanks, lines, pipes, hoses, connections, seals,
31 and pumps. At a minimum, replacement infrastructure must be
32 listed by an independent testing laboratory as compatible
33 for use with ethanol blended gasoline classified as E-85.
34 An eligible applicant may be awarded a grant worth up to 50
35 percent of the cost to replace infrastructure, with a maximum

1 grant of \$100,000. The bill requires the Iowa comprehensive
2 petroleum underground storage tank fund board to adopt rules to
3 implement and administer the grant program and fund.

4 The bill changes the amount credited from the statutory
5 allocations fund to the Iowa comprehensive petroleum
6 underground storage tank fund per quarter from \$3.5 million to
7 \$1.75 million.

8 The bill extends the duration of the environmental
9 protection charge on petroleum diminution collected from
10 underground storage tank owners or operators until June 30,
11 2026.

12 The bill increases from three to five the number of seats
13 on the Iowa comprehensive petroleum underground storage tank
14 fund board filled by owners or operators of underground storage
15 tanks and adds consultants to the possible persons who may fill
16 those five seats.